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28 April 1962

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CENTRAL INTELLIGENCE BULLETIN



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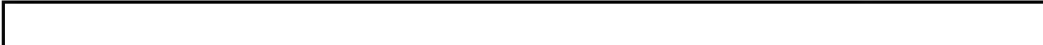
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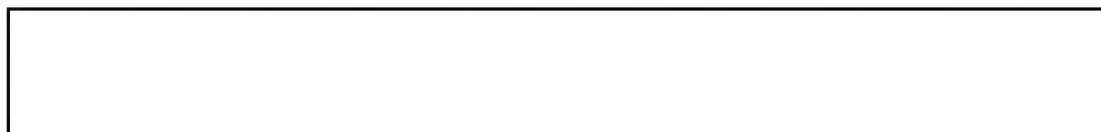


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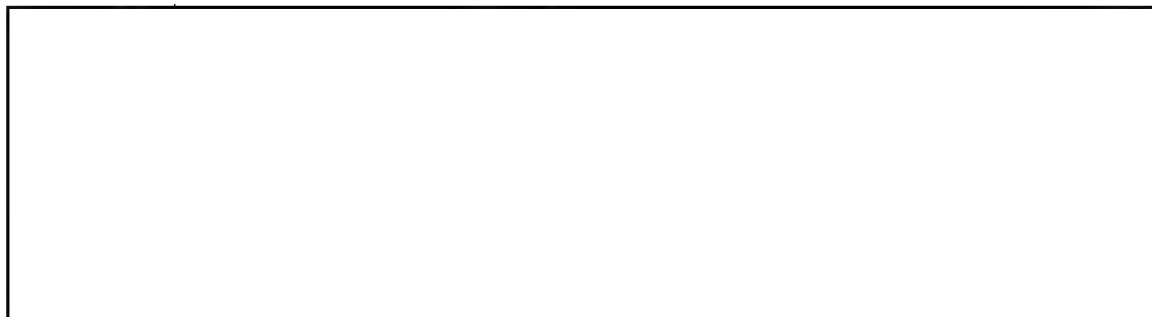
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Berlin: Provisions of the new East German customs law, which sustain regime assertions that the East - West German interzonal border is an international frontier, probably will be only partially implemented when the law goes into effect on 30 April. No immediate serious attempt to interfere with West Berlin's trade with West Germany is likely, although international freight transiting East Germany is likely to be subjected to new customs controls.

The law, which was passed on 28 March, specifies that West Berlin's trade with East and West Germany and other countries will continue on its present legal basis pending settlement of the city's customs position "within the framework of contractual arrangements." West Berlin, according to the law, exists "within the customs and sovereignty area" of the GDR and not within that of West Germany. These provisions indicate that the bloc will continue its efforts to weaken West Berlin's ties with West Germany and create a sense of isolation among West Berliners, with the long range goal of absorbing West Berlin into the bloc's economic orbit. [REDACTED]

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[REDACTED]

Communist China - US: Peiping is using its "200th serious warning" to underscore its hostility toward the US and to profess its alarm over an alleged increase in acts of "aggression and war" under the Kennedy administration. The Chinese Communists charge that the US is implicated in Taipei's aspirations to "fight its way back to the mainland," alleging that the Chinese Nationalists are now conducting reconnaissance missions over the mainland with U-2 and other aircraft supplied by the US. In a People's Daily editorial of 27 April, Peiping also expressed its anxiety over US activity in South Vietnam and declared that the US is preparing to spread the conflict to other areas. Peiping's charges are apparently intended to heighten international concern over US activities in areas near China. Peiping does not suggest that retaliatory action is imminent, but warns that it will "eventually" settle the score with the US. [REDACTED]

[REDACTED]

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Pakistan: The election on 28 April of a new national assembly marks the first major step in Ayub's program to restore limited representative government. Some 80,000 members of the "Basic Democracies," Ayub's countrywide system of local councils, are voting for the assembly candidates, the majority of whom are former politicians or their stooges. While all political parties remain banned, the once dominant Moslem League is well represented among candidates in both provinces, largely because it is the group most acceptable to the military leadership. Because of the limited franchise, the absence of an election campaign in the usual sense, and the authoritarian character of the constitution Ayub introduced in March, the public mood for the most part is one of apathy and--especially in East

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Pakistan--resentful resignation. Where issues have been discussed freely, criticism of government policies reportedly is prevalent. The extent of the challenge Ayub will face when the national and provincial assemblies convene in June probably will not be clear until voting for the provincial candidates is completed on 8 May.

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British Guiana: The defeat of Balram Singh Rai for the post of chairman of the executive council of Premier Cheddi Jagan's People's Progressive party has removed from that body the only member not identified with pro-Communist interests. While Rai retains his government post as minister of home affairs with control over the police, his tenure there is increasingly uncertain. Rai is considering quitting the party but apparently lacks enough personal following to set off a serious split.

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Guatemala: President Ydigoras on 26 April announced the appointment of seven military officers to his cabinet, replacing all but three of its former members. Ydigoras has tried for the past ten days to appease the three-party non-Communist opposition by offering them cabinet posts, but opposition leaders have continued to insist on Ydigoras' resignation as a prerequisite for their participation in the government.

The new military appointees are to remain in their cabinet posts for the duration of the crisis, now in its seventh week. Ydigoras apparently is still attempting to find respected individuals, not identified with the opposition alliance, who are willing to accept cabinet posts. He has approached followers of the popular but controversial ex-President Arevalo, a leading contender to succeed Ydigoras in next year's elections.

Communist and Communist-influenced groups are still making efforts to win an influential role in the anti-Ydigoras campaign. Street disturbances, some of them Communist-incited, continue almost daily in the capital. The opposition will probably be discouraged by the demonstration of continued military support for

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the President, which is inherent in the officers' acceptance of cabinet posts, but it remains possible that prolongation of the crisis will lead the military to attempt a solution by forcing the President's resignation

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Bolivia: A member of President Paz's cabinet informed the American ambassador on 25 April that anti-Chilean street demonstrations on the Lauca River issue on 28 April will probably be used by opposition elements to attack the government. He said he believed the demonstrators would be armed with rifles and machine guns, some of new Czech origin, and asked for prompt US action to supply the government with 3,000 rifles, 250 riot guns, and 500 pistols.

Paz has apparently been trying to exploit Bolivia's dispute with Chile over use of the Lauca River to rally domestic support for the governing party, which faces congressional elections in

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June. He may also want a pretext for increasing the strength of the Bolivian armed forces for domestic political purposes. The politically powerful Bolivian Workers' Confederation (COB) is scheduled to meet in La Paz on 1 May. Extreme leftist elements within the COB are hostile to Paz and have an effective fighting force of armed followers.

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*Argentina: Probably in order to deflect the blame for any disturbances which may occur on 1 May, Peronista leaders announced on 27 April that they had canceled plans for "giant" May Day celebrations. They said they would use "every legal means" to recover their March electoral victories which President Guido has annulled. Earlier equivocal statements by the Peronistas, however, give reason to doubt the desire or the ability of Peronista leaders to avoid violence.

The Peronista movement is split into a number of factions, only some of which obey the frequently changing orders of Peron.

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(A Peronista leader recently told the American embassy in Buenos Aires that the Peronistas had rejected overtures for co-operation with the Communists--who he understood had received a number of small arms from abroad.

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British Guiana Party Elections

[Rai failed in his bid to be elected chairman of the People's Progressive party and in so doing lost his seat on the ruling Executive Council. He declared publicly on 24 April that the elections were the "foulest ever held in British Guiana" and that open fraud and coercion were used to defeat his bid for the party chairmanship against the Communist who retained the post. He informed US officials he could no longer work with a party whose ideology and "evil practices" he opposed, but feared that withdrawing would precipitate the fall of the government and a renewal of civil disorders such as took place in February]

[Rai has performed his job competently and was given added responsibilities just before the party conference, so Jagan may hope to retain him in the government for the present. Should he quit the party, his prosperous middle-class town background would prove a handicap to obtaining a following among the East Indian peasants, who provide the bulk of Jagan's support, and the amount of backing he could obtain from other races in this period of inter-racial tension would not be enough to make him a major political force at present]

[The Jagan government suffered its first legislative defeat on the budget on 26 April through a failure to have all PPP members on hand. The budget vote of 14 to 13 does not appear to threaten PPP control of the legislature--at least immediately--because the government has enough votes to reverse the budget decision unless three of its 19 legislators defect. None has so far, and Rai seems the only strong possibility, [redacted]

[redacted] Jagan evaded calls from opposition legislators for his resignation. If he did offer his resignation, the British governor might refuse to accept it, in view of the lack of anyone else able to form a government. If new elections were called, the PPP would probably win]

[Meanwhile, the Jagan government has asked the UN to provide oil technicians of Soviet nationality in order to resume hitherto [redacted]

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(C) unsuccessful efforts to find commercially exploitable petroleum.

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